

Independent Spending in State Elections, 2006-2016

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Abstract

What difference has the Supreme Court's January 2010 decision in *Citizens United v. Federal Election Commission* made to the constellation of forces engaged in U.S. elections for state office? And what differences do state campaign finance laws, particularly the laws concerning contribution limits, make to the relative prominence of the various sectors of organizations that make independent expenditures (IEs) – whether formal political parties, organizations directly associated with the parties, ideological and issue groups, business, or labor? This paper uses an original and detailed classification of spenders, together with data from the National Institute on Money in Politics, the Campaign Finance Institute's historical database of state campaign finance laws, and other sources, to examine these questions. First, we offer a descriptive analysis of the spending activities of different types of IE groups before and after *Citizens United* based in part on varying state laws on contribution limits. We then examine the effects of contribution limits using a multivariate model that controls for competition, economics, and other variables.

The descriptive section shows that formal political party organizations continued to spend roughly the same amount on IEs after 2010 but their relative importance declined. Party-affiliated organizations (such as the Republican and Democratic Governors Associations) largely stepped into breach. While these are clearly arms of the parties in some respects, they are not arms of the state parties. Organized labor has declined in relative terms as a force in state-level IEs. Business's role has grown modestly but much less than initially predicted. Ideological organizations spent less than business in 2016, but moved up in the rankings. The clear winners were the issue groups. And among the issue groups, the most noticeable were not well-known, ongoing, national organizations but a series of almost *ad hoc*, in-and-out organizations funded by individual mega-donors.

Those who have expressed a concern about IEs have put forward two legislative proposals whose potential impact we have examined through a multi-variate analysis. We learned that removing all limits on contributions to candidates might well reduce IEs as a whole. However, removing these limits failed to show an impact when we disaggregated the IEs into sectors. Similarly, removing the limits only on contributions to and from the parties would have little effect beyond the formal party and party-affiliated sectors. Ideological and issue-driven donors are not likely to be much affected by these kinds of changes in law.

We have not examined proposals to regulate independent expenditures by overturning *Citizens United* since they are less amenable to comparative state analysis. While this paper does not opine on the subject, one of the co-authors has argued elsewhere that any such attempt would have to confront the same difficulties of defining the boundaries between election-related and issue speech that has bedeviled the field for decades. The simple truth is that this is a field with conflicting perspectives and no easy regulatory solutions based on limiting spending. If there were, we would have them by now.

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Independent Spending in State Elections, 2006-2016

What difference has the Supreme Court's January 2010 decision in *Citizens United v. Federal Election Commission* made to the constellation of forces engaged in U.S. elections for state office? And what differences do state laws – particularly the laws concerning contribution limits – make to the way these forces have worked out so far? As is well known, the Court held in *Citizens United* that corporations have a constitutionally protected right to make unlimited independent expenditures (IEs) expressly advocating the election or defeat of candidates. A subsequent case, *SpeechNow v. Federal Election Commission*, extended *Citizens United* to protect the right of individuals, corporations, labor unions, and other donors to make unlimited contributions to underwrite IEs. As a result, IEs in *federal* elections skyrocketed, from \$44 million by non-party organizations in 2008 to more than fourteen times that level in 2016 (\$647 million) (Malbin and Glavin, 2018). The change was not quite so dramatic in *state* elections, but was real nonetheless. According to the National Institute on Money in Politics (NIMP)¹, IEs in state elections slightly more than doubled in the states it has tracked consistently from the four pre-*Citizens United* years of 2005-2008 to the most recent four years of 2013-2016 (Stepleton, 2018).

Several different theses have been put forward to explain or predict the decision's effects on federal elections. First was that for-profit corporations (and perhaps labor unions) would invest their treasury money heavily to affect (or threaten to affect) key elections. (See, for example, Obama 2010.) Next was that non-profit issue and ideological advocacy organizations would attract potential new donors away from the political parties, weakening the parties' relative power and feeding the forces that have been helping to polarize politics (LA Raja and Schaffner 2015). Third, nobody in January 2010 foresaw the prominence of single-election Super PACs acting as surrogates for specific candidates in some federal elections, whose rise stem largely from regulatory (not constitutional) interpretations. By further decentralizing the sources of large piles of campaign money, these too could be seen as weakening the parties in a manner that strengthens the forces for polarization. Finally, and on a contrary note, a previous article by four of this paper's co-authors showed that organizations closely related to or affiliated with the parties (including the Republican and Democratic Governors Associations) made up the fastest growing set of IEs in the state elections immediately following *Citizens United* (Hamm *et al.* 2014). Along similar lines, the Campaign

¹ NIMP was known previously as the National Institute on Money in State Politics (NIMSP). Concurrently with the name change, the Campaign Finance Institute ceased free standing operations and became a division within NIMP.

Finance Institute has said that in the 2016 elections for the U.S. House, “more than half of the supposedly non-party IEs were made by Super PACs closely allied with the party leaders” (Malbin and Glavin, 2018, p.22).

This paper will continue to explore the balance of power among independent spenders, and how the parties fit into the picture. However, it will avoid drawing systemic interpretations from federal elections alone. Federal developments rest on the interactions among resources, incentives and rules, some of which are unique to the federal context. We instead consider IEs in the states, which place varying restrictions and regulations on parties, donors, and PACs. Specifically, we examine whether different types of independent spenders are more or less active in states that constrain contributions. First, we conduct a descriptive analysis of the spending activities of different types of IE groups before and after *Citizens United* based in part on varying state laws on contribution limits. We then examine the effects of contribution limits using a multivariate model that controls for competition, economics, and other variables to be described below. This analysis will help address some current policy claims, including the claim that removing the limits on contributions to the formal political parties will reduce the amount that is supposedly being diverted from the parties into non-party spending organizations.

DATA SOURCES

The National Institute on Money in Politics (NIMP) has been an invaluable resource for state-level data on donors and independent spenders. For this paper, we collected and coded data from 2006 (for which NIMP has data from 15 states with enough information for our purposes) through 2016 (27 such states). Our tables present information both for all available states and for the 15 states with consistent data across the six election cycles. To make the data more useful for our purposes, we ensured each entity that spent a total of \$150,000 or more since the 2006 election cycle was given a sectoral code. The coded orgs account for 95% of all non-ballot initiative independent spending in those cycles. These groups included entities not previously coded by NIMP, as well as more detailed coding for the various kinds of ideological, issue, and party-like groups.

There are a number of useful ways to classify spending groups, as argued by Herrnson (2017) in his recent work on the organizational characteristics of federal Super PACs. Herrnson notes, for example, that most previous studies of federal IEs (e.g., Magleby 2014) focused primarily on whether groups are candidate-, party-, or interest group-centered. The level of industry and political sector classification we use for state-level IEs achieves a greater level of useful detail. It represents the most exhaustive and precise effort to date that we know of to categorize independent spenders in state elections. Categorizing can be a challenge given the efforts many groups make to remain in the background and the variety of generic and sometimes mystifying names they adopt. It was frequently necessary to examine the groups’ funders to identify their sectors more thoroughly. For example, the generically-named committee “Building and Protecting a Strong California” was funded almost entirely by donations from firefighters, building trades, and correctional officers unions. It was therefore

coded as “Labor”, but it would have been difficult to code without reviewing the group’s donors. An additional challenge was that some group names were nearly identical to groups on the other side of the political spectrum, or else deliberately confusing. For example, there were at least fifteen different IE organizations whose name began with the words “Working Families” (not counting another seventeen district-specific “Working Families” committees). Most of these appear to be labor-funded, but some are ideological on the left, while others are ideological on the right. All are distinct from the left-leaning “Working Families Party” in New York State. There is simply no way to categorize the groups without digging beneath the name.

Generic names do serve a political purpose. We know from experimental research that campaign advertisements sponsored by political groups are often more effective and face less backlash than party or candidate advertisements because citizens do not connect the negative ads back to the party or candidate (Brooks and Murov, 2012; Dowling and Wichowsky, 2013, 2015; Ridout, Franz, and Fowler, 2015). Campaign advertisements by unknown groups also produce less polarization than party-sponsored ads due to citizens’ unfamiliarity with the group (Dowling and Wichowsky, 2015). As a result, it makes sense that party committees and party-affiliated groups pay for independent expenditures and sponsor campaign ads through these unknown groups. However, it makes it more difficult to identify the groups’ affiliation. By delving more deeply into the groups’ donor bases (where this is possible), as well as using contemporary investigative news reports, we have been able to identify the purpose and political orientation of these groups more extensively than previous scholarship. The classifications and their descriptions appear in Table 1.

Table 1: IE Group Sector Categories and Descriptions		
Group Type	Description	Example
Party	Official state and local party committees	Nevada Republican Party
Party-Affiliated	This sector includes national party committees made up of elected or party officials involved in state/local races in more than one state. It also includes single-state organizations, often with non-descript names, a substantial portion of whose funding comes from a party or party-affiliated organization.	Democratic Governors Association; Minnesota Future
Party-Allied Coalitions	Independent spending entities, most commonly single-state, that are coalitions made up of (a) traditionally pro-Democratic and left-leaning organizations or (b) traditionally pro-Republican and conservative organizations. Many are active in more than one election but invariably support candidates of only one party. Some are active in only one contest. They are distinguished from Single-Election PACs by the fact that core support comes from pre-existing left-leaning or right-leaning entities and issue groups.	Building Arizona's Future
Ideological	Multi-issue organizations usually identified as either liberal/progressive or conservative. They may align tightly with one party, but their identities and goals are distinct. They include organizations that may typically support a party's "mainstream" candidates, as well as others trying to change one of the parties.	Americans for Prosperity
Issue	Organizations identified with a single cluster of issues. Organizations in this category may support the candidates of one party or they may be bipartisan, but their core identities are defined by the issue.	Planned Parenthood
Business	Includes general business groups, trade associations, business coalitions, and for-profit corporations.	Maryland Chamber of Commerce
Labor	Labor unions, coalitions, or other entities largely funded by labor.	AFL-CIO of Wisconsin
Single-Election	Entities supporting or opposing candidates in only one election, with core support coming from associates or supporters of the candidates, not from the party-allied coalition groups described above.	28 th District Citizens for Real Democracy

The top three rows in this table (party and the two party-affiliated rows) describe categories that proved straightforward to classify, whether from their own literature or from the groups' donors. So were the bottom three (business, labor, and single-election entities). The three middle rows (party-allied, ideological, and issue) posed greater difficulties. NIMP combines ideological and issue groups into a single ideological/issue category. It was easy to separate these; we did so because we expect ideological and issue groups to behave differently from each other. More difficult was the line between ideological and party-allied organizations. There is a well-known debate about networks among party scholars. One camp sees the essence of the political parties as being alliances or networks of interest groups and other activists with overlapping goals (Bawn *et al.*, 2012). The other tends to define the parties in terms of their formal organizations, or in other terms more tightly defined than the network theorists (Persily, Bauer, and Ginsberg, 2018). This paper does not engage this debate. It sees the party-affiliated organizations as being clearly worth separating from what are more typically thought of as interest groups because their memberships are made up of party or elected officials (or because they are entities funded by these same organizations). It is more difficult to sort out party-allied organizations, when those are conceived broadly, from ideological ones. Instinctively, for example, we know that in federal elections there was a major distinction between American Crossroads, which supported mainstream Republican candidates, and the Senate Conservative Fund, which regularly challenged the leadership. But though the distinction is clear in paradigmatic cases, it is not easy to write a definition that would sort all of the groups cleanly. In federal elections, we can look at the behavior of groups in primary elections for clues. Unfortunately, the state disclosure records do not indicate clearly whether an IE is for a primary or general election. For this phase of our work, therefore, we have decided only to separate out party-allied coalitions from the ideological cluster. These (as defined in Table 1) seem to us to be alliances of convenience designed for the express purpose of supporting one or the other party in a specific election or jurisdiction. Their core support typically comes from organizations that would belong in one of the other categories if acting alone. With the coalition groups separated, we simply labelled all of the remaining multi-issue organizations with generally left- or right-leaning orientations as being "ideological". Organizations generally considered liberal or conservative but whose identity is defined by specific issues, such as pro-life or pro-choice groups, were categorized as being issue groups.

Finally, we have to note that one organization gave us some classification difficulties. Emily's List supports viable, female, pro-choice Democrats. Because it places priority on a specific set of issues, it does not fit the "ideological" category. But the fact that it only supports Democrats, and among those supports only those it deems viable, seems to suggest it could be classified as a party-allied organization were we to stretch the "party-allied" concept to reach beyond the coalition groups we now include. But doing so meant dragging along others, without clear distinctions. This was one reason we decided not to stretch the "party-allied coalitions" category. Others may choose to sort the groups differently. In these papers, we have included Emily's List in the "issue" group while acknowledging that its explicit partisanship might lead some to think otherwise.

INDEPENDENT SPENDING

At the beginning of the paper, we noted that NIMP found independent spending increasing. Table 2 presents our summary data for 2006-2016. This table excludes IEs made by formal state and local party committees while including the IEs made by party-affiliated and party-allied groups that operate outside the formal state party rubric. We left formal party organizations' IEs out of this table because *Citizens United* and *SpeechNow* did not affect them directly. The parties have been able to make unlimited independent expenditures since *Colorado Republican Federal Campaign Committee v. Federal Election Commission* (1996) and *Citizens United* had no direct effect the various states' limits on contributions going into the parties, or from the parties to candidates. In the later sectoral tables, however, the formal parties are included because we want to focus there on the relative balance among sectors.

To make the comparisons of non-party IEs more meaningful across time, we present not only the amount of spending in dollars, but IEs as a percentage of the funds raised by the candidates running for the same office in the relevant state and year. Note that this presents the IEs as a percentages of all candidates' receipts. The percentages would be much higher if we limited the candidates' receipts to ones who were in targeted races, but disclosure problems make it difficult to compile the information consistently for targeted races.² Our comparisons are also helped by only including IEs for gubernatorial and state legislative elections. This excludes ballot propositions, judicial elections, and a variety of other offices that vary from state to state. The table presents gubernatorial and legislative elections both separately and combined. It also shows federal IEs as a reference point.

² Though independent expenditure reports may be required, the quality of the disclosure can vary from state to state. The targeted candidate may be missing, or the report may include target but not whether an IE was in support of or opposition to the named target. Also, what was required in 2016 may be the same as what was required in 2010, making comparisons difficult.

TABLE 2: INDEPENDENT SPENDING IN STATE ELECTIONS, 2006-2016						
	2006	2008	2010	2012	2014	2016
CONSISTENT 15 STATES						
Gubernatorial and Legislative Elections						
Amount Spent, Non-Party IEs (\$ millions)	76.5	65.3	110.1	99.3	164.1	134.2
IEs as % of all Contributions to Candidates	9%	12%	11%	17%	21%	20%
Gubernatorial Elections only						
Amount Spent, Non-Party IEs (\$ millions)	45.2	27.4	72	30.4	71.8	13.4
IEs as % of all Contributions to Candidates	11%	28%	13%	36%	25%	9%
Legislative Elections only						
Amount Spent, Non-Party IEs (\$ millions)	31.3	37.9	38.1	68.8	92.2	120.9
IEs as % of all Contributions to Candidates	7%	9%	8%	14%	19%	23%
ALL STATES IN NIMP DATA						
Number of States*	15	15	20	27	27	27
Gubernatorial and Legislative Elections						
Amount Spent, Non-Party IEs (\$ millions)	76.5	65.3	126.1	168.7	231.7	193.8
IEs as % of all Contributions to Candidates	9%	12%	10%	19%	18%	18%
Gubernatorial Elections only						
Amount Spent, Non-Party IEs (\$ millions)	45.2	27.4	83.3	70.8	125.0	47.0
IEs as % of all Contributions to Candidates	11%	28%	12%	44%	22%	20%
Legislative Elections only						
Amount Spent, Non-Party IEs (\$ millions)	31.3	37.9	42.7	97.8	106.7	146.8
IEs as % of all Contributions to Candidates	7%	9%	8%	13%	16%	17%
FEDERAL COMPARISON						
Congress: Non-Party IEs as % of Candidates' Receipts	3%	3%	12%	25%	32%	39%
Presidential 1: Non-Party IEs as % Candidates' Receipts		8%		39%		43%
Presidential 2: Non-party IEs as % of Candidates' Receipts without Single-Candidate Super PAC IEs		8%		21%		19%
<p>*NOTE: The 15 consistent states for 2006-16 were: AZ, CA, CO, ID, MA, ME, MI, MN, MO, NC, OH, OK, TN, TX and WA. In the rows for "all states", the following states were added. For 2010-16: AK, CT, IA, VA, and WI. For 2012-16: IL, KY, MT, NH, RI, WV, WY. Data are also available for one election cycle each for three states not included in these totals: AR in 2012, MD in 2014 and PA in 2016.</p> <p>SOURCE: State calculations based on data supplied by the National Institute on Money in Politics. Federal calculations are based on data supplied by the Federal Election Commission.</p>						

As Table 2 shows, IEs in state elections have indeed been increasing but the underlying story is not the same for legislative and gubernatorial races. The trend in legislative elections is

clearly upward since *Citizens United* (2010), whether one looks at absolute dollars or IEs as a percentage of candidate receipts, and whether one looks at the fifteen consistent states or all states. Gubernatorial elections can be more difficult to interpret because more states hold gubernatorial elections in presidential midterm years (such as 2006, 2010 and 2014) than presidential election years (such as 2008, 2012 and 2016). However, when we focus on gubernatorial IEs as a percentage of candidates' spending – whether in the consistent states or all states – we see that IEs were most important in 2012. Next were 2014 and the pre-*Citizens United* election of 2008. The elections of 2006, 2010 and (surprisingly) 2016 were all well behind. Potential explanations will be offered in the sectoral discussions below, but the short answer is that gubernatorial IEs have been dominated by the Republican Governors Association, which makes direct contributions in competitive elections where the law permits, and makes IEs where it does not. The table also shows that federal IEs have increased more steeply than state IEs as a percentage of the relevant candidates' receipts – although it is worth noting that state IEs do not (yet) include many by single-candidate Super PACs acting as the candidates' alter egos, and that the rate of increase for presidential IEs *without* the single-candidate Super PACs is more or less the same as the rate of increase for IEs in the states.

Although state legislative and gubernatorial IE totals have stabilized somewhat in recent elections, there have been shifts among those who make the IEs. Table 3 shows the amount spent on gubernatorial and state legislative IEs by organizations in each of our sectors over the past six election cycles. Table 4 shows the IEs in each sector as a percentage of all candidates' receipts. Table 5 shows the percentage for which each sector was responsible within the year's total IEs. We will comment on the tables together, after presenting them.

TABLE 3: INDEPENDENT EXPENDITURES IN STATE LEGISLATIVE AND GUBERNATORIAL ELECTIONS, 2006-2016, BY SECTOR

	Legislative (\$ millions)						Gubernatorial (\$ millions)						Combined (\$ millions)					
	'06	'08	'10	'12	'14	'16	'06	'08	'10	'12	'14	'16	'06	'08	'10	'12	'14	'16
CONSISTENT 15 STATES																		
Party	13.4	13.0	14.0	12.9	15.4	13.5	9.7	1.0	13.3	0.04	2.4	1.8	23.0	14.0	27.4	12.9	17.8	15.3
Party-Affiliated	0.8	2.0	3.2	1.9	5.5	4.5	0.3	12.3	13.7	17.8	38.1	7.5	1.0	14.3	17.0	19.8	43.7	12.0
Party-Allied	2.0	5.9	7.3	9.2	9.9	4.9	4.0	0.3	8.9	9.3	11.0	0.9	6.0	6.2	16.2	18.5	20.9	5.8
Ideological	1.4	3.2	2.1	15.1	14.9	10.8	1.8	0.02	3.1	0.5	2.3	0.7	3.2	3.2	5.2	15.5	17.1	11.5
Issue	4.3	4.4	2.7	8.3	15.1	43.0	14.0	1.0	5.0	1.5	6.4	2.9	18.4	5.4	7.9	9.8	21.5	45.9
Labor	7.0	9.2	9.4	16.3	16.9	15.3	19.8	6.3	39.0	0.9	9.2	0.7	26.8	15.5	48.4	17.2	26.1	15.9
Business	11.5	11.7	10.4	13.3	22.6	33.1	1.0	7.3	1.8	0.1	1.2	0.5	12.5	19.1	12.2	13.4	23.8	33.6
Single-Election	0	0.3	0.5	1.2	3.1	2.7	4.0	0	0	0	2.4	0	4.0	0.3	0.5	1.2	5.5	2.7
Other, not coded, or below threshold	4.7	2.2	3.4	6.8	6.5	5.8	0.3	0.3	0.4	0.3	1.1	0.2	5.0	2.5	3.8	7.1	7.7	6.0
TOTAL	45.1	52.1	53.1	84.9	109.9	133.6	54.8	28.5	85.3	30.5	74.2	15.2	99.9	80.6	138.5	115.4	184.1	148.8
ALL STATES IN NIMP's DATA (n)	(15)	(15)	(20)	(27)	(27)	(27)	(15)	(15)	(20)	(27)	(27)	(27)	(15)	(15)	(20)	(27)	(27)	(27)
Party	13.4	13.0	14.1	13.5	17.4	15.5	9.7	1.0	13.3	0.04	2.6	1.9	23.0	14.0	27.4	13.6	20.0	17.4
Party-Affiliated	0.8	2.0	4.5	9.0	6.6	6.6	0.3	12.3	23.2	41.0	59.7	33.3	1.0	14.3	27.8	50.0	66.3	39.9
Party-Allied	2.0	5.9	7.5	10.6	12.6	5.7	4.0	0.3	9.1	9.3	11.4	5.4	6.0	6.2	16.4	19.9	24.0	11.1
Ideological	1.4	3.2	2.5	16.0	17.3	21.1	1.8	0.02	3.3	1.4	3.8	1.3	3.2	3.2	5.8	17.3	21.1	22.4
Issue	4.3	4.4	3.4	11.6	17.2	47.3	14.0	1.0	6.0	3.0	18.2	5.2	18.4	5.4	9.5	14.5	35.5	52.5
Labor	7.0	9.2	11.3	30.0	19.6	16.1	19.8	6.3	39.3	7.9	25.5	1.0	26.8	15.5	50.7	37.8	45.2	17.2
Business	11.5	11.7	10.4	14.7	24.2	36.8	1.0	7.3	1.9	0.1	1.3	0.5	12.5	19.1	12.4	14.8	25.6	37.3
Single-Election	0	0.3	0.5	1.2	3.1	3.6	4.0	0	0	7.2	3.0	0	4.0	0.3	.05	8.4	6.2	3.6
Other, not coded, or below threshold	4.7	2.2	3.6	8.1	8.3	8.7	0.3	0.3	0.4	0.9	1.9	0.3	5.0	2.5	4.0	9.0	10.2	9.0
TOTAL	45.1	52.1	57.8	114.6	126.4	161.5	54.8	28.5	96.7	70.9	127.6	48.9	99.9	80.6	154.4	185.4	253.9	210.4

NOTE: Numbers may not add because of rounding.

SOURCE: Calculated from data supplied by the National Institute on Money in Politics.

TABLE 4: INDEPENDENT EXPENDITURES IN STATE LEGISLATIVE AND GUBERNATORIAL ELECTIONS, 2006-2016, BY SECTOR, AS PERCENTAGES OF CANDIDATES' RECEIPTS

	Legislative (%)						Gubernatorial (%)						Combined (%)					
	'06	'08	'10	'12	'14	'16	'06	'08	'10	'12	'14	'16	'06	'08	'10	'12	'14	'16
CONSISTENT 15 STATES																		
Party	3.0	2.9	2.9	2.6	3.1	2.4	2.4	1.0	0.2	0.0	0.9	1.2	2.7	2.6	2.2	2.3	2.2	2.2
Party-Affiliated	0.2	0.3	0.6	0.4	0.9	0.6	0.1	12.5	2.2	21.3	4.9	5.1	0.1	2.5	1.5	3.5	2.3	1.6
Party-Allied	0.5	0.9	0.4	1.3	1.4	0.4	1.0	0.3	0.1	11.2	2.0	0.6	0.7	0.8	0.7	2.8	1.6	0.4
Ideological	0.3	0.7	0.5	3.1	2.9	1.9	0.4	0.0	0.0	0.6	0.8	0.5	0.4	0.6	0.5	2.7	2.1	1.6
Issue	1.0	1.0	0.6	1.7	2.9	7.5	3.4	1.0	0.2	1.8	1.7	2.0	2.2	1.0	0.6	1.7	2.5	6.3
Labor	1.5	1.9	1.5	3.0	3.3	2.7	3.7	6.4	1.1	1.1	2.4	0.5	2.6	2.7	4.1	2.7	3.0	2.3
Business	2.6	2.6	2.1	2.7	4.5	6.0	0.2	7.4	1.3	0.1	0.4	0.3	1.5	3.5	1.1	2.3	3.0	4.8
Single-Election	0.0	0.1	0.1	0.2	0.6	0.5	1.0	0.0	0.0	0.0	0.9	0.0	0.5	0.1	0.0	0.2	0.7	0.4
Other, not coded, or below threshold	1.1	0.4	0.7	1.3	1.3	0.9	0.1	0.3	0.1	0.4	0.5	0.1	0.6	0.4	0.3	1.2	1.0	0.7
TOTAL % of candidates' receipts	10.1	10.8	9.5	16.4	20.9	22.9	12.3	28.9	5.0	36.6	14.4	10.4	11.1	14.1	11.7	19.3	18.5	20.2
ALL STATES IN DATA (n)	(15)	(15)	(20)	(27)	(27)	(27)	(15)	(15)	(20)	(27)	(27)	(27)	(15)	(15)	(20)	(27)	(27)	(27)
Party	3.0	2.9	2.6	1.8	2.5	1.8	2.4	1.0	0.1	0.0	0.4	0.9	2.7	2.6	2.2	1.5	1.6	1.6
Party-Affiliated	0.2	0.3	0.4	0.6	1.3	0.8	0.1	12.5	1.7	25.4	10.2	13.8	0.1	2.7	2.2	5.5	5.2	3.3
Party-Allied	0.5	0.9	1.3	1.4	1.8	0.7	1.0	0.3	0.0	5.8	2.0	2.6	0.7	1.2	1.3	2.2	1.9	1.0
Ideological	0.3	0.7	0.5	2.1	2.5	2.4	0.4	0.0	0.0	0.9	0.7	0.6	0.4	0.6	0.5	1.9	1.7	2.0
Issue	1.0	1.0	0.6	1.6	2.5	5.4	3.4	1.0	0.1	1.9	3.1	2.5	2.2	1.0	0.7	1.6	2.8	4.8
Labor	1.5	1.9	2.1	4.0	2.8	1.9	3.7	6.4	0.9	4.9	4.4	0.5	3.2	2.9	4.0	4.2	3.5	1.6
Business	2.6	2.6	1.9	2.0	3.5	4.2	0.2	7.4	1.0	0.1	0.2	0.2	1.5	3.6	1.0	1.6	2.0	3.4
Single-Election	0.0	0.1	0.0	0.2	0.5	0.4	1.0	0.0	0.0	4.5	0.5	0.0	0.5	0.1	0.0	0.9	0.5	0.3
Other, not coded, or below threshold	1.1	0.4	0.7	1.1	1.2	1.0	0.1	0.3	0.0	0.6	0.3	0.1	0.6	0.5	0.3	1.0	0.8	0.9
TOTAL % of candidates' receipts	10.1	10.8	10.6	15.4	18.4	18.4	12.3	28.9	4.0	44.0	21.8	21.3	11.1	15.0	12.2	20.4	20.0	19.0

NOTE: Numbers may not add because of rounding.

SOURCE: Calculated from data supplied by the National Institute on Money in Politics.

TABLE 5: INDEPENDENT EXPENDITURES IN STATE LEGISLATIVE AND GUBERNATORIAL ELECTIONS, 2006-2016, AS PERCENTAGES OF ALL IES

	Legislative (% reading down)						Gubernatorial (% reading down)						Combined (% reading down)					
	'06	'08	'10	'12	'14	'16	'06	'08	'10	'12	'14	'16	'06	'08	'10	'12	'14	'16
CONSISTENT 15 STATES																		
Party	30	25	26	16	15	11	19	4	16	0	3	12	23	17	20	11	10	10
Party-Affiliated	2	4	6	2	5	3	1	43	16	59	51	49	1	18	12	18	13	8
Party-Allied	4	11	14	11	9	4	7	1	10	31	15	6	6	8	12	16	11	4
Ideological	3	6	4	18	14	8	3	0	4	2	3	5	3	4	4	13	9	8
Issue	10	8	5	10	14	32	26	3	6	5	9	19	18	7	6	8	12	31
Labor	16	18	18	19	15	11	36	22	46	3	12	4	27	19	35	15	14	11
Business	26	23	20	16	21	25	2	26	2	0	2	3	12	24	9	12	13	23
Single-Election	0	1	1	1	3	2	7	0	0	0	3	0	4	0	0	1	3	2
Other, not coded, or below threshold	5	3	6	6	6	3	1	1	0	1	2	1	5	3	3	5	4	4
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
ALL STATES IN NIMP's DATA (n)	(15)	(15)	(20)	(27)	(27)	(27)	(15)	(15)	(20)	(27)	(27)	(27)	(15)	(15)	(20)	(27)	(27)	(27)
Party	30	25	24	12	14	10	19	4	14	0	2	4	23	17	18	7	8	8
Party-Affiliated	2	4	8	8	5	4	1	43	24	58	47	68	1	18	18	27	26	18
Party-Allied	4	11	13	9	10	4	7	1	9	13	9	11	6	8	11	11	9	5
Ideological	3	6	4	14	14	13	3	0	3	2	3	3	3	4	4	9	8	11
Issue	10	8	6	10	14	29	26	3	6	4	14	11	18	7	6	8	14	25
Labor	16	18	20	26	16	10	36	22	41	11	20	2	27	19	33	20	18	8
Business	26	23	18	13	19	23	2	26	2	0	1	1	12	24	8	8	10	18
Single-Election	0	1	1	1	2	2	7	0	0	10	2	0	4	0	0	5	2	2
Other, not coded, or below threshold	5	3	6	7	7	5	1	1	0	1	1	0	5	3	3	5	4	4
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

NOTE: Numbers may not add because of rounding.

SOURCE: Calculated from data supplied by the National Institute on Money in Politics.

Tables 3-5 do show some relative shifts among this sectors. The formal party committees continued to spend roughly the same amount on IEs after *Citizen's United* (Table 3). They also stayed relatively constant as a proportion of candidates' receipts (Table 4). Thus, it would be wrong to see IEs as transferring money from the parties to send them somewhere else. However, the formal parties made up a smaller proportion of IEs as a whole (Table 5). This proportional decline was balanced for a time by a growth in the Party-Affiliated and Party-Allied organizations, but these latter groups decreased their IEs considerably in 2016. As for the other non-party organizations: ideological groups more than doubled their spending after 2010, but held steady in their proportional role among IEs. Issue groups soared in 2016, although it is too soon to see patterns. Business IEs have also grown steadily, while labor's proportional role has declined. We turn now to consider the sectors.

FORMAL PARTY COMMITTEES AND THEIR DIRECT ALLIES

Formal party committees have been guaranteed the right to make unlimited IEs since the Supreme Court's 1996 decision in *Colorado Republican Party v. Federal Election Commission* (518 U.S. 604). Whether they have done so has depended upon their resources, incentives, and the rules under which they operate. Since 2006, the formal parties (including legislative campaign committees) have consistently spent between \$13 million and \$17 million on state legislative elections and, except for 2010³, little on gubernatorial races. Logically, the parties should be able to raise more when contributions into the party are not limited by state law. Once they have money, they can give it to their candidates directly if state law permits, or they can spend the money independently. States with limits on how much parties may contribute to candidates should see more independent spending by the parties. States with no such limits should see fewer IEs and more direct contributions or coordinated spending.

As a rough first look at this proposition, we created a list of the top ten party IE committees in each of our six election cycles. Several states appeared repeatedly. Among them, Arizona, Maine, Minnesota, Tennessee and Washington showed the pattern we expected for high party IEs. Each of these states let the parties raise unlimited contributions but limited the parties' contributions to candidates. But not all of the top states fit the same pattern. California limited contributions into the party but not out, Illinois (starting in 2012) limited contributions in both directions (but did away with the limits under certain conditions), and Missouri was unlimited both ways. Given the prominence of California's IEs, it is evident that there is not a one-to-one correspondence between legal limits and IEs. We therefore will return to the impact of contribution limits in the multivariate analysis to come later.

Party-Affiliated organizations in our database meet one of two definitions. Much of the money in this sector was spent by a few national organizations made up of state and local elected or party officials. Most prominent among these are the Republican Governors

³ More than \$9 million of the \$13.3 million in gubernatorial IEs by the parties in 2010 were for the California race between Jerry Brown (\$7.2 million) and Meg Whitman (\$2.2 million).

Association (RGA), Democratic Governors Association (DGA), Republican State Leadership Committee (RSLC) and Democratic Legislative Campaign Committee (DLCC)⁴. While these are not formal party committees under state law, they are clearly (if not technically) parts of the national party apparatus, not to be confused with the interest groups that party network scholars point to as comprising a party's core supporters. The second set of party-affiliated organizations includes many temporary ones funded in whole or large part by the ongoing party-affiliated organizations. Two good examples would be New Hampshire's "Live Free PAC", which spent \$5.3 million that came entirely from the RGA to support Chris Sununu's successful campaign for Governor in 2016, and "Put New Hampshire First", the counterpart organization that supported Democratic candidate Colin van Ostern with \$4.4 million in IEs, \$3.8 million of which came from the DGA.

It is evident from Tables 3 through 5 that the role of party-affiliated organizations starting growing in 2008, before *Citizens United*. The sector was responsible for extraordinarily high levels of IEs when compared to gubernatorial candidates' own money – 12.5% in 2008 and more than 20% in 2012 (21% in the 15 consistent states and 25% in all 27 – see Table 5). In fact, the importance of party-affiliated money led several of the current co-authors to speculate that we might see nationalized political party networks playing a more prominent role in state elections in future elections (Hamm *et al.* 2014). This speculation appears now to have gotten ahead of the facts. Party-affiliated IEs continued to grow in 2012 and 2014 but declined in 2016. Because there were more gubernatorial elections in presidential midterm years (2006, 2010 and 2014) than presidential election years (2008, 2012, and 2016) the best comparisons are across comparable years. Party-affiliated IEs decreased by about 20% between 2012 and in 2016 (from \$50 million to 39.9 million) across the 27 states in NIMP's data.

The drop was particularly evident for the two most prominent organizations in the sector. The RGA's cumulative total of \$81.9 million in IEs for 2006-2016 makes it the top independent spender in NIMP's data among all organizations from any sector – with four times as much spent as the second highest spending entity (the Minnesota DFL Party). The data shows only \$245,000 in IEs by the RGA in 2006, but that figure spurted to \$9.4 million in 2008, \$17.3 million in 2010 and \$25.3 million in 2012 before tailing off to \$17.2 million in 2014 and \$12.5 million in 2016. Particularly noticeable is that the RGA's figure for 2016 was only about half that for 2012. The DGA made about \$2 million in IEs in 2010 and again in 2014, but made almost none in its own name in 2012 or 2016. So it may seem reasonable to conclude that the story of nationalized party strength was overdone. Having said that, we should not conclude too quickly that just because an organization cuts back on one form of political activity – in this case IEs – that means the organization has reduced its overall engagement in state elections. The following table illustrates the point.

⁴ Others with no reported IEs in our database include the Republican Attorneys General Association, Republican Lieutenant Governors Association, Democratic Attorneys General Association, and Democratic Lieutenant Governors Association.

Table 6 divides the states in our dataset into quadrants, based on the state laws concerning contribution limits. It then describes the RGA's and DGA's reported activity in each state during the elections of 2014 and 2016. Our expectations are as follows.

- First, neither organization will invest its funds in a race unless it is close.
- Second, where state law permits unlimited contributions both to political parties and to candidates, the organizations will at least consider making a direct contribution the candidate or party rather than making an IE.
- Where contributions to candidates are limited but not to parties, the RGA and DGA will consider whether to contribute to the party, make an IE in their own names, or contribute to another IE-making entity.
- If contribution to parties and candidates both or limited, an IE will be the preferred strategy.
- When IEs are preferred (under any of the previous three bullets) the RGA or DGA might prefer not to make an IE directly. To avoid having an advertisement branded with a party label, the RGA or DGA may prefer to contribute to another organization, which in turn will make the IE. To the extent these indirect expenditures increase, it will have result in a decrease in IEs reported by the RGA or DGA without a decrease in the IEs they support.

The following table shows how the RGA and DGA spent their political money in 2014 and 2016 in our states, sorted by quadrant. In addition to IEs the organizations made in their own names, it shows contributions to other IE organizations, contributions to candidates and contributions to political parties.

Table 6. MAJOR IEs AND CONTRIBUTIONS BY THE RGA AND DGA, 2014-2016, BY STATES' CONTRIBUTION LIMIT LAWS

Limited to parties Limited to candidates		Unlimited to parties Limited to candidates	
AK	RGA: 1.3m contrib to an IE org.	AZ	Not a close race.
CA	Not a close race.	CT	RGA: contrib \$5.5m to an IE org. DGA: contrib \$3.9m to an IE org.
CO	RGA: \$7.3m in own IEs. DGA: \$7m contrib to three IE orgs.	ID	Not a close race.
KY	RGA: \$5.7m contrib to IE orgs. DGA \$4.0m contrib to IE orgs.	ME	RGA: \$1.5m to party. DGA: \$362k to party, 2.5m to an IE org.
MA	RGA: contrib \$10.8m to IE org. DGA: contrib \$1.4m to IE org.	MI	Little activity.
MD	RGA: \$1.7m in own IEs DGA: \$2.0m in own IEs	MN	Little activity.
OH	Not a close race.	MT	DGA: \$1.5m to party; \$3.9m to an IE org.
OK	Not a close race.	NC	RGA: \$7m in own IEs; \$1.1m contrib to party. DGA: \$2.1m to party.
RI	DGA: \$720k contrib to an IE org.	NH	RGA: \$5.5m contrib to an IE org. DGA: \$3.4m contrib to party; \$3.8m to IE org
WI	Little activity.	TN	Not a close race.
WV	DGA \$785k to an IE org.	WA	DGA: \$300k to party; \$325k to IE org.
		WY	Not a close race.
Unlimited to parties Unlimited to candidates		Limited to parties Unlimited to candidates	
IA	RGA: \$1.1m to candidate.	No states during these years.	
MO	RGA: \$13.0m to candidate. DGA: \$2.8 m to candidate, \$106k to party.		
PA	RGA: \$5.9 m to candidate, \$1.2m to party. DGA: \$596k to candidate, \$80k to party.		
TX	RGA: \$850k to party.		
NOTE: Illinois was omitted from this table because its limits are conditional. SOURCE: Derived from data supplied by the National Institute on Money in Politics			

On the whole, these results confirm what we expected. In states permitting unlimited contributions to candidates and parties (lower left quadrant), the RGA and DGA gave ten times as much to candidates as parties (\$23.4 million to \$2.2 million). In states that limited contributions to candidates but not to parties (upper right quadrant), the RGA and DGA made seven sizable contributions to political parties and eight to other IE organizations. The RGA also made one IE in its own name (in North Carolina). The overall balance in these states was \$32.4 million in direct or indirect IEs to \$12.4 million in contributions to parties. Finally, in states limiting contributions both to candidates and to parties (upper left quadrant), the RGA and DGA made IEs in their own names in Maryland and Colorado. They also made contributions in eight

elections to other organizations making IEs. The totals for these states were \$11 million in direct IEs and \$31.7 in indirect IEs.

Two conclusions emerge. First, the RGA and DGA made \$18 million in IEs in their own names in these states compared to \$57.1 million in indirect IEs and \$35.8 million in major contributions to candidates and parties. A decrease in direct IEs therefore should obviously not be taken as proof by itself that the party-affiliated organizations have declined in importance. How they deployed their money depended upon close races, state laws, and strategic decisions about whether to spend in their own names or hide behind others. Second, the results make us doubt that eliminating the limits on contributions to the formal political parties will result in IE money being transferred to the parties to make them the key players in statewide elections. When given other choices, the RGA and DGA seemed to prefer making indirect IEs through other intermediaries, or giving their money directly to candidates. The importance of state law to these strategic calculations will be explored further in the multivariate analysis to come.

IDEOLOGICAL AND ISSUE SECTORS

One common expectation after *Citizens United* was that IEs would fuel a growth in the ideological organizations (such as Koch-supported Americans for Prosperity) and issue organizations (such as Planned Parenthood or the National Right to Life Committee) at the expense of political parties and their closest allies. Moreover, the concern was that these ideological and issue organizations would be fueled by national actors who – like the RGA and DGA – would bring national perspectives to bear on state and local elections. Our earlier tables did show growth in the role played by the ideological and issue sectors after *Citizens United*. When viewed as percentages of candidates' receipts across the states (Table 4), the ideological sector more than doubled its importance in legislative races – increasing to the point that they nearly equaled the formal party committees in the fifteen consistent states and exceeded them in the full set of 27 states. However, neither the ideological nor the formal party committees' IEs have been major factors in gubernatorial elections, an arena in which the party-affiliated entities have dominated. The story for issue groups has been more complicated than the one for ideological groups. The issue group sector role outshone all others in 2016, but the growth pattern has been anything but steady.

To get a clearer picture of the ideological and issue sectors, it would be useful to know more about the organizations they include. Table 7 lists the fifteen in each category with the most IEs in 2014-2016. Also included is the total amount spent. For organizations spending in only one state, the state's two-letter abbreviation appears. Organizations spending in more than one state are marked with an asterisk (*).

TABLE 7. TOP 15 IDEOLOGICAL AND ISSUE ORGANIZATIONS, SHOWING SINGLE-STATE AND NATIONAL ORGANIZATIONS, BASED ON IES IN 2014-2016 (\$ millions)

Ideological	Issue
Liberty Principles PAC (\$12.0m) (IL)	California Charter Schools Association (\$14.1m) (CA)
Spirit of Democracy, California (\$9.6m) (CA)	EdVoice (\$12.1m) (CA)
Californians for Jobs and a Strong Economy(\$3.7m) (CA)	League of Conservation Voters (\$5.6m)*
North Carolina Families First (\$3.4m) (NC)	Planned Parenthood (and state affiliates) (\$5.5m)*
Alliance for California's Tomorrow (\$2.4m) (CA)	National Rifle Association (\$4.7m)*
Missouri Club for Growth (\$2.2m) (MO)	American Federation for Children (\$3.5m)*
Empower PAC (\$1.5m) (TX)	NextGen Climate Action (\$2.8m)*
American Encore (\$1.5m) (AZ)	Californians Allied for Patient Protection (\$2.8m) (CA)
Priorities for Colorado (\$0.8m) (CO)	Equality California (\$2.6m) (CA)
Colorado Right Now (\$0.6m) (CO)	Committee for Accountable Gov. (\$2.6m) (MO)
Bluegrass Action Fund (\$0.6m) (KY)	California Homeowners Association (\$2.5) (CA)
Campaign for Maine (\$0.4m) (ME)	Emily's List (\$2.4)*
California Alliance (\$0.3m) (CA)	Personal PAC (\$2.0) (IL)
Americans for Responsible Solutions (\$0.3m) (VA)	Govern for California Action Comm. (\$2.0) (CA)
Constituents Focus PAC (\$0.2m) (TX)	National Right to Life (and state affiliates) (\$2.0m)*

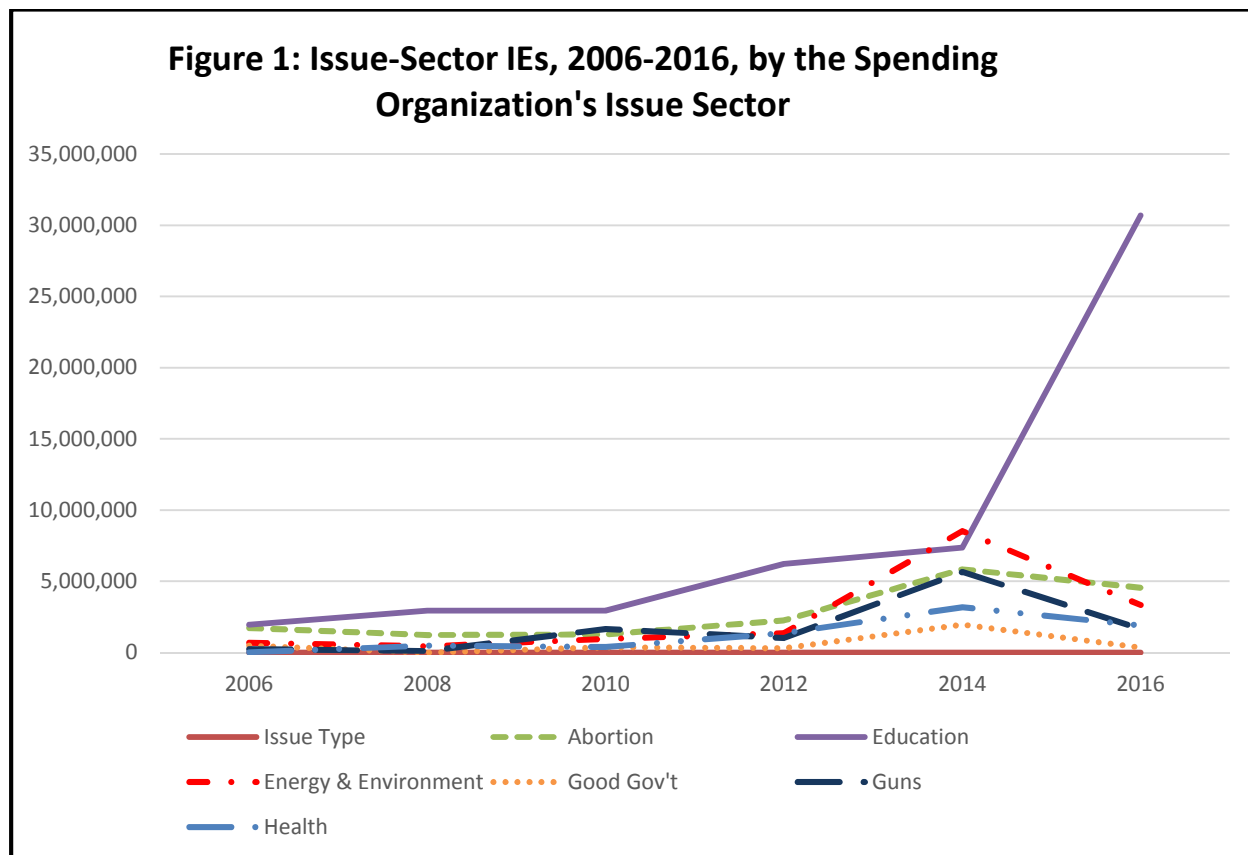
NOTE: Organizations with IEs in only one state in 2014-2016 have the state's abbreviation after the name and dollar figure. Organizations spending in more than one state have an asterisk (*) in that location.

This table is interesting when viewed in light of broad theses about nationalization. The party-affiliated entities raise large amounts from major donors who live in one part of the country to influence competitive elections elsewhere (Hamm *et al.*, 2014). But despite some expectations, this kind of nationalization was not a factor among the top IE organizations in the ideological sector. For example, Liberty Principles PAC – the first on the list – made IEs only in Illinois. It was funded largely by a \$12 million contribution from Richard Uihlein, supplemented by \$2.5 million from Illinois' Governor Bruce Rauner and \$2.3 million from an organization called Turnaround Illinois. Uihlein is a significant donor to national organizations, but Illinois is his home state. The next ideological organization on the list, Spirit of Democracy, made IEs only in California. It was funded largely by Charles T. Munger, Jr., a physicist from Palo Alto whose father is the billionaire vice-chairman of Berkshire Hathaway. Missouri Club for Growth (fifth on the list) is a state affiliate of the national Club for Growth, but the national organization has not made IEs in gubernatorial or state legislative elections since 2006, and only one other state's affiliate did so over the same time period (Virginia's in 2008). One might find national networking if one looked more deeply into these top organizations' donors, but the fundamental story in this sector seems to be state-based.

The local-national story is slightly different when we consider the top issue organizations. Seven of the top fifteen made IEs in more than one state. Six of the eight remaining are Californian. The seven multi-state entities were not insignificant, including such organizations as the League of Conservation Voters, Emily's List, National Rifle Association Planned Parenthood, and National Right to Life. (Planned Parenthood and National Right to Life are federations being treated in our data as single organizations.) Together, these seven

combined to account for \$26.5 million of the IEs in gubernatorial and legislative elections in the covered states in 2014 and 2016. This is real money, but not enough to support grand hypotheses about the nationalization of state politics by ideological and issue group IEs.

More broadly, we should be careful when we compare the overall numbers across sectors. Earlier we saw that the issue sector by far grew the most between 2012 and 2016 (Table 3). But was the growth sufficiently uniform to let us attribute it to issue groups *per se*? Figure 1 disaggregates the issue group sector into specific issue subsectors.



The figure shows that the increase in issue-sector IEs in 2016 was brought about almost entirely by one issue subsector: education. The energy/environment subsector spiked in 2014 and then receded. The same was true for the gun subsector in 2014. Pro-choice and pro-life spending increased more steadily, making abortion the second largest subsector in 2016 but below education in 2016 and below the 2014 peak for energy/environment. With unevenness such as this, it seems likely that the general numbers are masking something.

It turns out that \$25.2 million of the \$30.7 million spent in 2016 on IEs by education groups were in California. Most of this was by two organizations supporting charter schools – the California Charter Schools Association (CCSA) and EdVoice. They were reacting to what they saw as a ripe opportunity. For many interest groups, the main fight in California's state

legislative elections in 2016 was to elect (or prevent the election of) enough Democrats to pass budgets without Republican support. (California requires a supermajority in the Assembly and Senate on budget votes.) This created opportunities for CCSA and EdVoice to enter races in which pro-charter school moderate Democrats opposed progressive Democrats who were suspicious of charter schools and of the broader educational reform agenda identified nationally with Presidents Clinton, Bush, and Obama.

CCSA is a twenty-five year old organization that focuses on the growth and health of charter schools in California. In light of the electoral climate, CCSA increased its IEs from \$1.6 million in 2014 to \$12.4 million in 2016 with the support of large contributions from a handful of national supporters.⁵ EdVoice has also been advocating for charter schools since at least 2005 but, like the CSSA, decided that 2016 was the year to step up its IEs. After less than \$60,000 in gubernatorial and state legislative IEs in 2014, EdVoice increased to \$12.1 million in 2016. It did so in part by tapping some of the same charter school supporters as funded IEs by the CSSA.⁶ As noted, both organizations sometimes supported moderate Democrats in races against other Democrats. The main independent spender on the other side of these contests often was the Opportunity PAC, an organization financed mostly by teachers' and other public employees' unions. Opportunity PAC made \$2.6 million in IEs in 2016 – about one-tenth the combined amount spent by the CSSA and EdVoice. (For press coverage of the CSSA and EdVoice, see Rosenhall, 2016; Miller, 2016; Warner, 2016; Blume and Phillips, 2017.)

This example teaches us is that one ought not to rush to conclusions too quickly based on summary data. One dollar of every eight spent across all sectors in 2016, (\$26 million of \$210 million in 27 states) came from only two organizations in a single state. Both were underwritten by a handful of overlapping individuals who took advantage of an unusual political opportunity. It was not the result of swelling in the ranks of issue groups more generally. Having said this, we should not simply discount their activity by treating them purely as anomalies. There were similar surges in past years in other issue arenas. For example, the spike in the energy/environment sector in 2014 also came largely from two organizations – the League of Conservation Voters and NextGen Climate Action, which was the creation of billionaire hedge fund investor Tom Steyer. Moreover, it seems unlikely that this kind of intervention by politically interested rich people will end in 2016. The subsector surges in 2014 and 2016 came because a few wealthy individuals pursued issues or causes about which they

⁵ According to the California Secretary of State's Cal-Access website, CCSA's million-dollar donors in 2016 included Doris Fisher (\$4.1 million), the co-founder of the GAP clothing stores and a founding board member of KIPP charter schools; Reed Hastings (\$3.8 million), the CEO of Netflix; three members of Walmart's Walton family (\$2.3 million); Michael Bloomberg (\$1.1 million), the founder and CEO of Bloomberg LP and former Mayor of New York City; Eli Broad (\$1.1 million), the founder of KB Home and Sun America; and Richard Riordan (\$1 million), the former Mayor of Los Angeles.

⁶ EdVoice's major donors in 2015-2016, according to Cal-Access, included William Bloomfield (\$3.2 million), former CEO of a commercial laundry equipment firm who has long been active in California politics; the same three Waltons who gave to the CCSA (\$3.9 million combined); Doris Fisher again (\$383,000); Eli Broad again (\$598,000); and William Bowes (\$500,000), founder of a venture capital firm. EdVoice's donor William Bloomfield and CSSA's donor Michael Bloomberg are former Republicans who became Independents. The partisan leanings of the other donors are mixed.

cared deeply. This tells us something about the issue sector as a whole. Very rich people can afford to spend millions on causes that interest them. We should expect more of these wealth-driven disruptions to the general patterns of IE spending in years to come.

LABOR AND BUSINESS

Our overview of labor and business organizations need not be lengthy or complex. Labor has roughly doubled the amount it spends on IEs in legislative elections. It has also increased its IEs as a percentage of legislative candidates' receipts. As a proportion of all IEs, however, labor's percentages held fairly steady (in the high teens through low twenties) through 2014 but then dropped in 2016, causing its relative position among sectors to fall as well. The one year with extra legislative election spending by labor was 2012, when a labor-funded coalition (We Are Wisconsin) put most of its \$11.7 million in legislative IEs toward defeating four GOP state Senators. This was part of an effort that labor and other progressive organizations had mounted to reverse a 2011 law that reduced public employee union members' health and pension benefits and restricted their collective bargaining rights. In gubernatorial elections, labor's IEs have been more erratic than in legislative races. The major outlying year was 2010, when \$33 million of the \$39 million that labor spent in our 27 states helped Jerry Brown in California. The expenditures fall back again after that. As a general statement, therefore, it is difficult to look at the level of labor's IEs in state elections as having been strongly influenced by *Citizens United*.

Business is more complicated. As noted, many were saying immediately after *Citizens United* that the decision would stimulate an explosion in IEs by for-profit business corporations. Others, including these co-authors, doubted this would happen. We noted that most corporations active in politics would be likely to continue pursuing their relatively bipartisan election strategies that favor incumbents. Risk-averse donors would feel little incentive to endanger their access by making IEs.

So far, the evidence supports the skeptics. There is one important difference, however, between IEs and contributions. About one-third of business PAC contributions in state legislative elections since 2010 (and 40% since 2006) have gone to Democrats, but business IEs have supported Republicans by about 86% to 14% since 2010. This makes business IEs more partisan than business contributions, but less so than the IEs of all other sectors (The typical issue group has spent 91% of its IE money to support one or the other party, labor 94%, and ideological groups 95%.) Even after taking into account this observation about the partisanship of business IEs compared to its contributions, we do not see evidence of a major change in the business sector after 2010. Business IEs in legislative elections have remained fairly steady since 2006. Except for one year (2008) business IEs have also played a negligible role in gubernatorial elections. This is not to deny that rich individuals who made their fortunes running businesses give large contributions to party-affiliated, ideological and issue organizations that do make IEs. But the for-profit business corporations whose treasuries were liberated legally by the Court's

decision have not, on the whole, taken advantage of it. The top ten business spenders in all six election cycles have tended to be trade and professional associations, with little obvious difference in the profile of the organizations represented before and after *Citizens United*.

DESCRIPTIVE RECAP

The following table encapsulates what we have written so far in our descriptive summaries of state-level IEs since 2006.

TABLE 8. DESCRIPTIVE RECAP OF CHANGES IN THE LEVEL OF COMBINED GUBERNATORIAL AND STATE LEGISLATIVE IEs, 2006-2016, BY SECTOR					
	Dollars Spent			Sector as % of all IEs	Sector as % of Candidates' Receipts
	Change in \$ over time	2006 Rank	2016 Rank	Description	Description
Party	Not much change	2	5	Down	Down somewhat
Party-Affiliated	Up, but off in 2016	8	2	Up, but off in 2016	Up, but off in 2016
Party-Allied	Up, but off in 2016	5	7	Up, but off in 2016	Up, but off in 2016
Ideological	Up	7	4	Up	Up
Issue	Up (erratic)	3	1	Up (erratic)	Up (erratic)
Labor	Up in legislative, not much change overall	1	6	Down	Up in legislative, not much change overall
Business	Up	4	3	About the same, with peaks in 2010 and 2016	Up
Single-Election	Up after 2010	6	8	Generally low	Up after 2010
TOTAL	Up	—	—	—	Up after 2010
SOURCE: Tables 3-5.					

As Table 8 indicates, party-affiliated political committees (such as the RGA) and issue groups (such as the charter school organizations in California, environmental organizations, and groups on both sides of the abortion and gun control divides) have used unlimited contributions to increase their presence since *Citizens United*. Business has also moved its ranking up somewhat. At the other end, formal political party committees and labor unions held steady in the dollars they spent on IEs while declining in market share.

Finally, we see little evidence in these data of the single-candidate Super PACs that have become prominent in federal elections. This may change, with California again leading the way. “Families and Teachers for Antonio Villaraigosa for Governor” raised more than \$17 million in 2018. Villaraigosa supports charter schools and much of the funding for this committee came from of the same wealthy individuals who gave to the California Charter School Association in 2016 (Wildermuth and Garofoli, 2018). This is obviously not the same phenomenon as the single-candidate Super PACs that operate as the extensions of presidential candidates at the

federal level. It remains to be seen whether the presidential-style phenomenon will spread to the states.

COMPARING THE EFFECTS OF STATE LAWS ON IEs

To say that quirky rich people have driven the surges in issue spending is not a fully satisfactory way to end this paper. There is some regularity to the decisions that lead to this spending. It is fair to assume that politically effective spending will be shaped in part by opportunities and constraints in the larger political environment. Even the wealthiest individuals and organizations are making choices from among the many opportunities in front of them. For example, it is well known that general election IEs tend to focus on competitive races, where the money might conceivably affect election results. But more than a race's competitiveness will affect a donor's or spender's thinking.

We also know that individual organizations will define their goals differently. For example, the conservative Club for Growth typically has targeted only a few races in any given year. Its idea is to leverage resources to create publicity in a way that will affect the political climate. This in turn serves its larger goal, which is to change the makeup of the Republican Party (Boatright, 2013 and 2014). That is far different from the Republican Governors Association, which is simply to elect more Republicans. Or an organization's goals may stay constant while the context is changing, which in turn may change the resources available at any given time. For example, at least one of the major donors who directed millions of dollars toward gun control in 2014 shifted his money in 2016 to support charter schools.

Just as an organization's goals or the political context may affect opportunities, so may the laws governing political expenditures structure how they will act. For example, it is obvious that the Supreme Court's decision in *Citizens United* helped spur an increase in IEs. However, our earlier study showed that the states with the biggest increases in IEs were not necessarily the ones previously prohibiting corporate and labor spending (Hamm *et al*, 2014). It appears that the increases in states without previous corporate and labor restrictions occurred because of indirect effects the Court's ruling had on the decisions of independent spenders.

It has also been argued by others that a state's contribution limits for candidates and political parties will affect the calculations of independent spenders and their donors. We saw some descriptive evidence of this in Table 6, on the RGA's and DGA's political spending in 2014-2014. One of the most common arguments in favor of removing legal limits on contributions to candidates, for example, is that doing so will increase transparency and disincentivize groups and individuals from spending independently. La Raja and Schaffner (2015) take a more nuanced view, predicting that removing contribution limits on money flowing into the political parties would divert money away from independent spending committees and to the formal party organizations. We will test these two related claims about the effects of contribution limits on IEs generally. However, we also will use our new data classifying sectors of spenders to see whether contribution limits affect the sectors differently.

The conventional expectation on candidate contribution limits is that their presence should increase IEs across the board: if parties and other independent groups are restricted in their ability to contribute to candidates of their choice, they will be more likely to independently spend on their behalf instead. (Institute for Free Speech, 2017). With regard to limits on party contributions, we expect limits on donations *to* political parties to reduce the income of the formal party organizations and therefore to reduce their IEs. On the other hand, these same contribution limits to parties could increase party-affiliated and party-allied groups' IEs as major donors shift from the formal parties to the parties' closest allies. However – unlike LA Raja and Schaffner -- we do not have specific expectations for the effect that limits on donations to parties will have on issue and ideological groups' IEs. With respect to limits on contributions *from* the parties to candidates: we expect the presence of these limits to increase direct and indirect IEs by the parties and their closest allies. However, we do not expect these limits on contribution from parties to candidates to have a significant impact on ideological, issue, business, or labor IEs because they will not be a significant factor in those organizations' spending decisions.

DATA AND METHODOLOGY FOR MULTIVARIATE ANALYSIS

The descriptive portions of this paper took a preliminary stab at explaining the relationships between contribution limits and IE spending. However, we can assess the impact of the state laws more confidently by using multivariate analyses that control for other crucial variables typically associated with independent spending in the states. The following paragraphs describe the variables used in our analysis.

The main independent variables of interest are the laws relating to contribution limits. For these, we used the Campaign Finance Institute's recently-published 1996-2016 Historical Database of State Campaign Finance Laws (CFI, 2018). This database includes hundreds of variables for each state every two years since 1996, including the limits on contributions to candidates, PACs, and political parties. While the CFI database includes exact amounts for the limits in each state, we instead used simple binary indicators for whether or not a state had contribution limits in place in a particular year.

The CFI database includes details for legal contribution limits to and from candidates, PACs, and parties. First, we created a binary variable indicating whether a state limited contributions to candidates from individuals, PACs, and/or parties in a given year. Second, we created a similar binary variable indicating the presence of limits from individuals or PACs⁷ to the official party organizations. We created a final variable indicating whether a state limited

⁷ For purposes of simplicity, we did not differentiate between limits on contributions to parties from individuals vs. those from PACs. There was also almost total overlap between these two limit types across states, making separating the two effects problematic both theoretically and empirically. This was also true for limits on contributions *from* parties to candidates or to PACs.

contributions *to* candidates *from* the parties specifically in a given year. These three indicators represent our primary independent variables: the presence of restrictions on how much anyone can contribute to candidates; how much parties can contribute to other political entities; and how much other entities can contribute to parties. Of all state-years in our data, 79% have limits on contributions on the part of individuals, PACs, and/or parties to candidates; 66% have laws limiting contributions *from* parties; and 46% have laws limiting contributions *to* parties.

To specify the impact of these limits properly, we must also control for other electoral factors that affect independent spending. It is fair to assume that politically effective spending will be shaped in part by the opportunities and constraints in the larger political environment. For example, there is a well-established correlation between campaign spending and competitiveness (Jacobson 1978; Erikson and Palfrey 1998; Jacobson 1990; Jacobson and Carson 2015). Even more specifically, general election IEs tend to focus on competitive races, where the money might conceivably affect election results (Hamm *et al* 2014). Therefore, any model predicting state-level independent spending requires state-level measures of competition in gubernatorial and legislative elections.

To measure competition in governor races, we created an ordered scale that indicated whether the election included a gubernatorial election and whether it was competitive (winner received 55% or less of the top-two-candidate vote). We coded the 0-2 variable according to the following rules: 0 = no gubernatorial race, 1 = non-competitive gubernatorial race, and 2 = competitive gubernatorial race.

Measuring legislative competition was more complicated, especially since our sample of states includes some with multi-member districts (MMDs). For states with single-member districts (SMDs) and sub-districts with one seat/post in MMDs (like Idaho and Washington), we considered races competitive when the winner received 55% or less of the top-two-candidate vote. It was more challenging to calculate competition for MMDs with plurality or bloc voting, in which voters cast their ballots for multiple candidates and the top vote getters win. While there are various options for calculating competition in MMDs, we adopted Niemi *et al.*'s (1991) approach of creating pseudo-SMDs within the MMDs. These pseudo-districts involve pairing the Democrat receiving the highest vote-share with the Republican receiving the fewest votes, and so on for the remaining candidates. In a 2-member MMD, we then have two pseudo-districts each with a Democratic and Republican candidate. If the district is not fully contested, the candidate with the highest vote-share is treated as running in an uncontested race. By creating pseudo-pairs from individual candidates running in MMDs, we can evaluate them using the same criterion as SMDs (whether the winner received 55% or less of the two-candidate vote). We then divided the number of races that were competitive in each state-election by the total number of races in the state. This provided us with a state-level measure of the percentage of legislative races in an election that were competitive at the 55% threshold. We expect both the gubernatorial and legislative competition variables to positively predict independent spending activity.

Finally, in addition to race-level competition, we also account for partisan competition for control of legislative chambers. We do so with Hinchliffe and Lee's (2015) measure of the number of shifts in majority control of either legislative chamber in the state since 2000. The greater the number of recent shifts, the closer the competition for chamber control, which we therefore expect to increase IEs in the state.

While competition is a widely-agreed driver of campaign spending and electoral activity, a number of other key controls⁸ used in previous studies were necessary. Among these are:

- The total number of legislative races happening in the state that year (because more legislative seats will increase total spending – the denominator – when we are measuring IEs as a percentage of the candidates' spending);
- Squire's (2007) index of legislative chamber professionalism, since more full-time legislators may induce greater investment on the part of parties, donors, and interest groups;
- The presence of multi-member districts, which fundamentally complicates contribution and spending activity by including multiple candidates in a geographic area from the same party;
- A dummy variable for whether the state is in the South;
- The percentage of the state's population that is urban, to account for regional geographic and economic variation that could affect spending and contribution activity; and
- The statewide Gini index, which measures the extent of economic inequality in a state relative to others, and which could affect which types of sources of campaign funds and spending might have a greater impact.

Our models use these controls and our primary independent variables to predict the extent of independent spending in a given state-year. Any state-level analysis, however, must account for differences among the states, with the most important being the size and extent of all spending and contribution activity in the states' elections. The amount of campaign money flowing through California, for example, should and does obviously dwarf that of Rhode Island or Idaho. To address this issue, we divided the total amount of IEs in each state by the total amount of contributions made to all candidates in that state-year. (As noted earlier, it is not possible to use only the money raised by candidates in targeted races because the data for some states do not consistently give the information needed to focus on the races targeted by IEs.) Because state-level contribution totals vary in similar ways to state-level IEs, with both responsive to many of the same electoral and contextual conditions, the percentages let us capture the *relative* prominence of IEs in a given state's campaign finance ecosystem. This relative presence of IEs, rather than raw dollar amounts, is the dependent variable of interest. To disaggregate effects by sector, we also computed additional dependent variables calculating the IEs from specific IE sectors as percentages of candidates' spending. Descriptive statistics for

⁸ The professionalism and Gini index measures were used from Hinchliffe and Lee (2015); Percent urban was provided by Census estimates, and all other measures were calculated by the authors.

our eight primary dependent variables, as well as our independent variables and controls, can be found in Table 9.

Table 9. Descriptive Statistics for Key Variables (Model Cases Only)				
Variable	Mean	Std. Deviation	Min.	Max.
All IEs*	6.7	15.1	0	99.9
Party IEs*	0.4	1.5	0	12.5
Party-Affiliated IEs*	3.7	10.1	0	58.9
Party Allied IEs*	0.4	2.2	0	17.1
Issue Group IEs*	0.8	3.0	0	29.3
Ideological Group IEs*	0.1	0.5	0	3.7
Business Group IEs*	0.2	1.2	0	13.6
Labor Group IEs*	0.9	2.9	0	25.5
Limits - Contributions from Parties	0.7	0.5	0	1
Limits - Contributions to Parties	0.5	0.5	0	1
Limits - Contributions to Candidates	0.8	0.4	0	1
Total Legislative Races	140	58	50	424
Recent Shifts/Chamber Majority	0.9	1.0	0	3
Gubernatorial Competition	0.8	0.8	0	2
Legislative Competition	0.2	0.1	0.04	0.41
Southern State	0.2	0.4	0	1
State % Urban	73.2	13.4	38.7	95
Gini Index	0.6	0.0	0.55	0.76
Chamber Professionalism	0.2	0.1	0.03	0.63
Multi-Member Districts	0.2	0.4	0	1
* = Divided by Total Contributions to Candidates				

Finally, to account for other differences between states not captured by our control variables or the weighting of our dependent variable, we also employ random-effects GLS regression rather than standard OLS regression. Random effects helps us account for the fact that state-years from the same state are not fully independent of one another, even if they are fully (or at least very nearly fully) independent of observations in other states. Using random effects allows us to say with more confidence that variation in the dependent variable is not being caused by foundational differences among the states.

ANALYSIS & RESULTS

In addition to the main random-effects model in which we assess the effects of contribution limits on all IEs as a percentage of all contributions, we also run seven additional models, identical save for the dependent variables; instead of *all* IEs, these models will predict *Party IEs* as a percent of all contributions, *Party-Affiliated IEs*, etc. Table 10 presents the results of the random-effects models of the effects of candidate contribution limits on IEs.

Dependent Variable	All Groups	Party Orgs	Party Affiliated	Party Allied	Issue	Ideological	Business	Labor
Limits - Contributions to Candidates	7.04** (2.87)	0.02 (0.46)	3.92* (2.02)	0.45 (0.78)	0.71 (0.68)	0.05 (0.14)	0.23 (0.29)	1.25* (0.67)
Total Number of Legislative Races	0.04** (0.02)	0.00 (0.00)	0.02 (0.01)	0.00 (0.00)	0.01 (0.00)	0.00 (0.00)	0.00 (0.00)	0.01*** (0.00)
Competition - Control of Chamber	3.12*** (1.13)	-0.12 (0.14)	2.20*** (0.79)	0.03 (0.21)	0.64** (0.27)	0.05 (0.05)	0.13 (0.12)	0.15 (0.26)
Competition - Governor's Race	9.46*** (1.38)	0.31** (0.15)	6.00*** (0.97)	0.52** (0.22)	1.06*** (0.33)	0.12** (0.06)	0.41*** (0.14)	1.06*** (0.32)
Competition - Legislative Races	39.43** (15.57)	2.43 (1.99)	27.92** (10.94)	2.34 (3.10)	6.32* (3.67)	0.71 (0.71)	-1.01 (1.59)	-1.70 (3.62)
South	0.71 (2.93)	-0.36 (0.48)	1.38 (2.06)	-0.22 (0.82)	0.05 (0.69)	0.02 (0.14)	-0.01 (0.30)	-0.19 (0.68)
Pct. Urban	0.00 (0.10)	0.00 (0.02)	-0.02 (0.07)	0.03 (0.03)	-0.03 (0.02)	0.00 (0.00)	0.01 (0.01)	0.00 (0.02)
Gini Index	23.92 (35.19)	-4.19 (4.32)	33.42 (24.72)	-1.27 (7.31)	6.04 (8.29)	-0.46 (1.62)	-2.99 (3.60)	-5.20 (8.17)
Chamber Professionalism	0.82 (10.24)	-1.23 (4.75)	-0.93 (7.20)	2.42 (7.55)	1.36 (2.41)	0.17 (0.49)	-1.00 (1.05)	3.13 (2.38)
Multi-Member Districts	-0.97 (2.84)	-0.58 (1.71)	0.16 (2.00)	-0.81 (0.80)	-0.46 (0.67)	-0.02 (0.14)	0.40 (0.29)	0.31 (0.66)
Constant	-42.10** (20.57)	1.69 (2.82)	-37.83*** (14.46)	-4.02 (4.51)	-5.64 (4.85)	0.08 (0.95)	0.60 (2.11)	-0.78 (4.78)
R-Squared (Between-Effects)	0.81	0.52	0.76	0.1	0.66	0.04	0.18	0.57
N	147	147	147	147	147	147	147	147
<i>Note: Results found using generalized least squares regression with random effects by state</i>								
*p < .1, **p < .05, ***p < .01								

Table 10 shows mixed results for the common hypothesis that simply removing contribution limits to candidates would obviate the need for independent spending. We see that while the positive coefficient directions reflect this suspicion, the contribution limits variable only reaches fairly weak statistical significance in the models for overall IEs, party-affiliated IEs, and labor IEs. Party, party-allied, issue, ideological, and business IEs, on the other hand – many of which, as stated earlier, have seen significant growth in the last decade – seem almost completely unaffected by the presence of contribution limits. It is reasonable to assume, then, that removing these limits would be unlikely to stem the tide of independent spending taking place in the states.

Finally, while we do not directly test La Raja and Schaffner's expectation that no party limits reduce independent spending overall, Table 11 presents a second set of models testing the effects of limits on contributions to and from parties on IEs.

Table 11. Effects on Independent Expenditures as a Percentage of Total Candidate Contributions, 2006-2016 (Party Contribution Limits)

Dependent Variable	All Groups	Party Orgs	Party-Affiliated	Party-Allied	Issue	Ideological	Business	Labor
Limits - Contributions from Parties	2.16 (2.56)	0.80** (0.32)	-0.53 (1.76)	0.95 (0.58)	0.38 (0.59)	0.07 (0.12)	0.21 (0.26)	0.18 (0.59)
Limits - Contributions to Parties	2.06 (2.47)	-1.16*** (0.33)	4.05** (1.70)	-1.31** (0.61)	0.09 (0.58)	-0.14 (0.12)	-0.18 (0.25)	0.61 (0.57)
Total Number of Legislative Races	0.04** (0.02)	0.00* (0.00)	0.01 (0.01)	0.00 (0.00)	0.01 (0.00)	0.00 (0.00)	0.00 (0.00)	0.01*** (0.00)
Competition - Control of Chamber	3.09*** (1.16)	-0.15 (0.13)	2.36*** (0.80)	-0.02 (0.21)	0.63** (0.27)	0.04 (0.05)	0.11 (0.12)	0.15 (0.27)
Competition - Governor's Race	9.31*** (1.42)	0.36** (0.15)	5.67*** (0.97)	0.57** (0.22)	1.05*** (0.33)	0.14** (0.06)	0.42*** (0.14)	1.01*** (0.33)
Competition - Legislative Races	45.51*** (15.66)	2.87 (1.82)	32.68*** (10.76)	2.67 (2.99)	6.80* (3.64)	0.69 (0.71)	-0.92 (1.58)	-0.45 (3.61)
South	0.87 (3.15)	-0.58 (0.41)	2.15 (2.16)	-0.59 (0.78)	0.07 (0.73)	-0.04 (0.15)	-0.06 (0.32)	-0.12 (0.73)
Pct. Urban	-0.07 (0.11)	0.01 (0.01)	-0.08 (0.07)	0.04 (0.03)	-0.03 (0.02)	0.00 (0.01)	0.01 (0.01)	-0.02 (0.02)
Gini Index	45.09 (36.22)	-4.19 (4.32)	55.84** (24.88)	-1.27 (7.31)	7.67 (8.42)	-0.88 (1.66)	-3.18 (3.65)	-0.48 (8.35)
Chamber Professionalism	3.35 (10.48)	0.25 (1.40)	-1.69 (7.20)	-0.46 (2.65)	1.71 (2.44)	0.28 (0.51)	-0.73 (1.06)	3.39 (2.42)
Multi-Member Districts	0.27 (2.86)	-0.61 (0.38)	1.26 (1.97)	-0.86 (0.71)	-0.37 (0.67)	-0.03 (0.14)	0.41 (0.29)	0.58 (0.66)
Constant	-47.52** (21.20)	2.15 (2.54)	-44.32*** (14.56)	-2.82 (4.33)	-6.08 (4.93)	0.26 (0.98)	0.72 (2.14)	-2.02 (4.89)
R-Squared (Between-Effects)	0.78	0.52	0.77	0.29	0.65	0.06	0.18	0.53
N	147	147	147	147	147	147	147	147

Note: Results found using generalized least squares regression with random effects by state

*p < .1, **p < .05, ***p < .01

Table 13 shows that limits on political parties (to or from parties) do *not* have a statistically significant effect on the total level of independent expenditures relative to contributions. This suggests that party contribution limits are not associated with the level of total independent

spending in an election. These limits also do not significantly affect issue or ideological groups' IEs. However, party limits do matter for how some sectors spend their money.

Political parties *decrease* their IEs relative to contributions when there are limits on donations to political parties. This is probably because the limits reduce the contributions they receive, so there are fewer resources for them to make IEs. On the other hand, party-affiliated groups significantly *increase* their IEs when there are limits on donations to parties. This finding supports the previous examination of DGA and RGA spending in the descriptive analysis. Surprisingly, limits on contributions to parties *decrease* party-allied groups' IEs. This finding is contrary to what we expected: If independent organizations have less opportunity to contribute to the parties they normally support, one might expect that they would spend more, not less, as part of a coalitional party-allied independent spending group. We plan to evaluate these theories further as we develop this analysis.

Limits on donations *from* political parties to candidates or PACs do not affect most groups' spending on IEs. The only sector with a statistically significant result is for the political parties themselves. When they face limits on their contributions to candidates or PACs, parties increase their IEs relative to the contributions they give candidates. The general lack of results for other sectors seems unsurprising.

The other major results in Tables 12 and 13 are the effects of competition on IEs. Competitive gubernatorial races significantly increase IEs relative to contributions for all sectors. A higher percentage of competitive legislative races in an election, as well as competition for majority control of the chamber, also significantly increase IEs as a whole and for party-affiliated and issue groups. These findings support the results in previous research (e.g., Hamm *et al*, 2014), and indicate that groups are strategic in their IEs. They rationally increase their spending on IEs when the money may affect the outcome, whether in an individual race or in the battle for majority control.

CONCLUSION

The descriptive and multivariate sections of this paper point toward some common themes. We learned during the first half of the paper that even though IEs have not increased as rapidly in state elections as in federal, they have nevertheless gone up at a rate that makes them worth noticing. Formal political party organizations continue to spend roughly the same amount on IEs after *Citizen United* as before, but this means that their relative importance has declined. Party-affiliated organizations have largely stepped into breach – especially in gubernatorial elections. While these are clearly arms of the parties in some respects, they are not arms of the state parties. While we were wrong in an earlier publication in seeing IEs as a whole as a harbinger of nationalized organizations dominating state politics, it is nevertheless fair to see the party-affiliated organizations in those terms. The party-affiliated organizations tap into national networks of party donors whose contributions are redirected to the various

states, where they in some ways supplant the state parties as the major funders of IEs in competitive races.

Other sectors do not show the same features. Organized labor has declined as a force in state-level IEs. Business's role has grown modestly, but the sector has not come close to taking off in the way some early political commenters predicted, and the main actors in this sector generally have not been national. Ideological organizations spent less than business (and more than labor) in 2016, but moved up in the rankings from seventh to fourth. The clear winners among all sectors were the issue groups. And among the issue groups, the most noticeable were not so much the well-known, ongoing, national organizations (such as Planned Parenthood, National Right to Life, League of Conservation Voters, and the National Rifle Association). Rather, they were a series of almost *ad hoc*, in-and-out organizations funded by individual mega-donors. Some of these mega-donors do seem to operate in issue-clusters, but the clusters do not appear to be tied to ongoing organizations. They seem to be more free-floating and idiosyncratic than, for example, the donors to party-affiliated organizations. For now, however, this portrait of donor networks must remain speculative – a project for future research.

Those who have expressed a concern about IEs have put forward two legislative proposals whose potential impact we have examined by leveraging the historical database of state campaign finance laws. From the analysis we learned that removing all limits on contributions to candidates might well reduce IEs as a whole. However, removing the limits failed to show an impact on IEs when we disaggregated the IEs into sectors. Similarly, removing the limits only on contributions to and from the parties would have little effect beyond the formal party and party-affiliated sectors. Ideological and issue-driven donors are not likely to be much affected by these kinds of changes in law. Whether you think IEs are healthy or not, *Citizens United* unleashed forces that are unlikely to be contained with such fixes.

We have not examined proposals put forward on the other side of the regulatory/political spectrum, partly because these are less amenable to comparative state analysis using the available data. Most of these proposals involve regulating independent expenditures by overturning *Citizens United* through new jurisprudence or constitutional amendment. While this paper does not opine on the subject, one of the co-authors has argued elsewhere that any attempt to regulate political spending in this way would run up against the same difficulties of defining the boundaries between election-related and issue speech as has bedeviled the field for decades (Malbin 2017). The simple truth is that this is a field with conflicting perspectives and no easy regulatory solutions based on limiting spending. If there were, we would have them by now.

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